

Manufacturing The Future of CommunicationsSM

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January 5, 1993

Ms. Donna R. Searcy
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Ex Parte Presentation
CC Docket No. 92-115

Dear Madam Secretary:

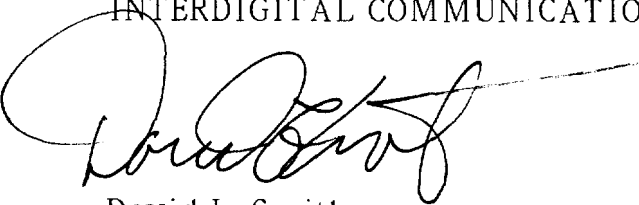
On 5 January 1993, Messrs. David Smith and Jack Taylor of InterDigital Communications Corporation met with representatives of the Mobile Services Divisions and staff members from Commissioners Quello, Barnett, Marshall and the Chairman's office to discuss issues in the above-referenced proceeding related to BETRS.

Certain current interpretations of grade of service and channel availability and future proposals for Part 22 rules, as they relate to BETRS, have the potential of eliminating BETRS as an option for telephone companies to provide basic telephone service in rural areas.

The issues discussed are reflected in the attached material.

Sincerely,

INTERDIGITAL COMMUNICATIONS CORPORATION


David L. Smith
Vice President

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Enclosure

BASIC EXCHANGE TELECOMMUNICATIONS RADIO SERVICE (BETRS)

Issue: (1) The FCC Mobile Service Division has recently decided to apply to BETRS (fixed basic telephone service) the grade of service (GOS) .25 which applies to mobile services under existing Part 22 rules. Telephone companies engineer BETRS installations for a telephone GOS of .01.

Discussion: BETRS is the provision of basic telephone service by wireless technology. It uses radio rather than wire. The GOS of BETRS must be no less than that provided to a "wired" subscriber (which is .01). Telephone companies could not (and would not) provide inferior telephone service to one specific class of subscribers. State Utility Commissions regulate the quality of service and they would not allow inferior service to be provided over BETRS facilities.

Impact: If the FCC evaluates BETRS spectrum applications using the .25 GOS applicable to mobile services then telephone companies could not provide BETRS.

Recommendation: The FCC accept, as they have for the last five years, the telephone grade of service .01 for all BETRS applications.

Issue: (2) The re-write of Part 22 contains the rules for mobile service (Public Land Mobile/Paging/Cellular) and BETRS. In the NPRM the Mobile Services Division recommended that the GOS standard be dropped and that only two channels be authorized to new stations. Additional channels may be requested after the initial channels are placed in service. InterDigital submitted comments in the proceeding -- on the channel assignment rules -- that said:

Part 22.569 Additional Channel Policies

Telephone companies must have the flexibility to plan for BETRS installations. Accordingly, the restriction of applying for only two channels should not be applied to BETRS. If the spectrum is not available to satisfy the total BETRS requirement then initial installation will not proceed.

Recommend BETRS be excluded from this restriction.

Discussion: If the Commission does not exclude BETRS from the 2 channel assignment policy it would have the same effect as a reduced grade of service. In effect, the telephone company would be forced to either (1) provide lower quality service or (2) to delay service to a portion of their proposed subscriber base. Both have the effect of providing inferior quality service to a class of customers. Quality of service is closely regulated by State Utility Commissions, They would not accept BETRS installations under such conditions.

Recommendation: The Commission recognize the separate spectrum needs of BETRS and exclude them from the 2 channel limitation proposed for Part 22.

Summary: The public interest in providing a cost effective radio-based alternative for telephone service in rural areas is well established. However, paging use of 450 MHz BETRS channels in rural areas is impacting heavily on the availability of spectrum for this valuable basic telephone service. This one-way paging use of valuable two-way channels has resulted in a net loss of channels for BETRS. As a result, last month the original BETRS petitioners filed a petition with the Commission for additional BETRS channels.

By applying mobile criteria to BETRS, a fixed service, the Commission is directly impacting on the quality of basic telephone service in rural areas. Quality of service is a state not federal regulatory concern. The Commission should delay action on the rewrite until they have had a chance to evaluate the needs of the telephone industry in rural areas.